

looking, attributes costs on a cost-causative basis, includes a 10% mark-up for overhead, and includes a reasonable profit through cost of capital. It excludes embedded costs and universal service subsidies. It is open and flexible. SWBT's historical, inaccessible and inscrutable cost studies do not meet the FCC's criteria and are not an appropriate basis for pricing network elements. For example, these studies result in a price squeeze with rates for unbundled loop plus cross-connect which exceed SWBT's rate for local exchange service. (Goodfriend Direct pp. 17-32, Rebuttal pp. 2-17; Jernigan Direct pp. 3-25, Rebuttal 1-10).

OPC: Public Counsel has not taken a position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing. However, based upon the prefiled evidence, Public Counsel does not believe SWBT has met its burden of proof to demonstrate that its cost models and prices based thereon should be adopted. In absence of this evidence, it appears the FCC deficient proxy ceilings should apply.

24. How should unbundled network elements be deaveraged?

SWBT: The FCC's Docket 96-98 Order requires deaveraging into at least three zones. SWBT proposes to deaverage its unbundled local loops and local switching pursuant to its existing rate groups which define exchanges i.e., Rate Groups C and D constitute Zone 1, Rate Group B constitutes Zone 2, and Rate Group A constitutes Zone 3. This deaveraging is consistent with the exchange based certification and pricing requirements of SB 507. SWBT believes no discernable economic cost difference exist for cross connect, switch port or tandem switching unbundled network elements. (Bailey Direct p. 17, Rebuttal p. 2).

AT&T: SWBT's "deaveraging" appears somewhat skewed to its own advantage.

(Gaddy Rebuttal, p. 4.)

MCI: Rates for unbundled network elements should be deaveraged based on line density in accordance with the results of the Hatfield Model set forth on Exhibit E. (Jernigan Direct pp. 14-25).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

25. How should compensation for interconnection facilities be set?

SWBT: Each carrier should be responsible for delivering its traffic to the other and should furnish facility arrangements as necessary, provided that if one carrier requests the other to provide all or a disproportionate of the interconnection facility, then the carrier providing the disproportionate amount of facility should be compensated by the other carrier based on the relative percentage of the total facilities/costs it provides. (Bailey Direct p. 36).

AT&T: AT&T is not sure it understands this "issue" as presented by SWBT, nor is SWBT's position very clear.

MCI: Each company should be responsible for delivering traffic to the interconnection point, plus the costs of the proportion of dedicated trunk capacity provided by the terminating carrier and used by the interconnecting carrier. (Powers Direct 17-23, Powers Rebuttal pp. 10-11).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

26. Should SWBT be required to tariff physical collocation arrangements?

SWBT: No. SWBT proposes that collocation arrangements be individually priced. With regard to virtual collocation, SWBT proposes that its interstate virtual collocation tariff apply. With regard to sonet-based interconnection, SWBT proposes that its sonet interconnection rates in its interstate access tariff apply as the proxy rate. (Deere Direct pp. 89-98).

AT&T: SWBT should be required to tariff its rates, terms and conditions for physical collocation rather than provide such collocation through individual contracts. (Saboo Direct, pp. 35-36; Jacobsen Rebuttal, pp. 12-13.)

MCI: MCI opposes total ICB pricing and requests establishment of up-front standards based on TELRIC. Subsequent collocators should reimburse predecessors as appropriate. SWBT should absorb costs of converting virtual collocations to physical. (Powers Rebuttal p. 14).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

27. What charges should apply for transport and termination of AT&T & MCI's traffic?

SWBT: SWBT opposes bill and keep since the traffic between SWBT and AT&T or MCI will not be balanced, and the rates will not be symmetrical in that AT&T and MCI will

likely connect at SWBT's tandem while SWBT will connect at MCI and AT&T's end office. SWBT's proposed compensation rates are consistent with the FCC Order in that they recover TELRIC costs plus a reasonable allocation of forward-looking joint and common costs. These proposed costs are set forth in Exhibit B. (Bailey Direct p. 38; Moore Direct p. 5).

AT&T: A Bill and Keep mechanism should be imposed for traffic exchange between AT&T and SWBT for at least the first 9 months after the initiation of the passage of commercial traffic between the companies. After the 9-month period, Bill and Keep should remain in place unless and until a significant and continuing disparity in the levels of traffic terminated on the respective networks can be demonstrated. If the Commission decides to establish compensation rates instead of Bill and Keep, the rates should be determined using TELRIC methodology. (Gaddy Direct, pp. 49-55; Gaddy Rebuttal, pp. 4-6.)

MCI: SWBT should be paid for tandem switching, transport between the tandem and end office, and for end office switching to the extent these elements are used. The rates should be set at the results of the Hatfield Model. Traffic should be measured by auditable Percent Local Usage reports, and not by any expensive and unnecessary new measurement system. SWBT should pay MCI the same rates. Bill-and-keep should not be used. (Goodfriend Direct pp. 17, 33-47, Rebuttal p. 19; Powers Direct pp. 17-23, Rebuttal pp. 10-11).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

28. When should local transport and termination charges apply?

SWBT: SWBT proposes that its reciprocal transport and termination rates apply within a geographic area designated as an exchange area by SWBT tariff. Mandatory EAS areas should be included in the exchange area. In the 12 SWBT exchanges with mandatory EAS routes which include independent local exchange companies, SWBT believes the Commission should direct AT&T and MCI not to send such traffic through SWBT for completion to independent telephone companies until AT&T and MCI, respectively, have compensation arrangements with those companies in place.

Traffic which either originates or terminates beyond the exchange boundaries as set forth in SWBT's tariffs, including boundaries of mandatory EAS routes as described above, should be compensated as switched access rates. (Bailey Direct p. 45).

AT&T: A reciprocal compensation mechanism established by the Commission for local calling (whether Bill and Keep or TELRIC-based rates) should apply to calls originated and terminated within EAS, MEMS, and other extended calling areas. These geographical areas should be considered the "local area" for purposes of applying reciprocal compensation. (Gaddy Direct, pp. 55-59; Gaddy Rebuttal, pp. 6-7.)

MCI: Reciprocal transport and termination rates should apply within established local calling areas. (Goodfriend Direct p. 33).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

29. How should compensation between SWBT and MCI & AT&T be handled with regard to calls within a Metropolitan Calling Area (MCA)?

SWBT: For calls which originate within the metropolitan exchange and terminate in an exchange where optional MCA service is available, SWBT proposes that switched access rates apply. Switched access rates should also apply for calls between optional MCA exchanges and from optional MCA exchanges to the metropolitan exchange. (Bailey Direct p. 46, Rebuttal p. 9).

AT&T: (Gaddy Direct, pp. 55-59; Gaddy Rebuttal, pp. 6-7.)

MCI: Reciprocal transport and termination rates should apply within established local calling areas. (Goodfriend Direct p. 33).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

30. Should SWBT's switched access rates be changed in this proceeding?

SWBT: SWBT believes the Commission should not directly or indirectly impact the level or application of intrastate access service rates in this proceeding. SWBT believes that any attempt to change interstate rate is beyond the jurisdiction of this Commission and that any attempt to change intrastate access rates is not appropriate in this proceeding. Further, SWBT believes that no attempt should be made to change the meet point billing arrangements which are currently in place under the interstate and intrastate access service tariffs and that it would be unlawful and inappropriate to do so. (Bailey Direct p. 48, Rebuttal p. 3).

AT&T: For intrastate toll minutes, the Commission should not allow SWBT to recover CCLC or transport interconnection charge (TIC) from purchasers of unbundled local switching. (Gaddy Rebuttal, pp. 7-11.)

MCI: It is critical to reform access rates, and the Commission should initiate such reform now. Continued pricing of access above cost will deter the development of competition. Missouri must keep pace with interstate access reform and coordinate access reform with universal service reform. SWBT must be stripped of the artificial advantage of above-cost access charges prior to entry into the interLATA market under Section 271. Access should be priced at the result of the Hatfield Model. (Goodfriend Direct pp. 48-50, Rebuttal pp. 19-20).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

31. What compensation arrangement should be adopted for intermediate transport?

SWBT: Intermediate transport is defined as the carriage of calls originating on one LSP's network which transits through SWBT's network for termination to another LSP or independent telephone company. SWBT believes that the rate of \$0.002826 per minute of use should apply to this arrangement and, that AT&T and MCI should be prohibited from sending such transiting traffic to SWBT until it has compensation arrangement in place with the other LSP or independent telephone company. (Bailey Direct p. 54).

AT&T: AT&T does not believe additional compensation has been justified.

MCI: Transit rates should be based on the TELRIC results of the Hatfield Model. (Goodfriend Direct pp. 36-37; Powers Rebuttal p. 11).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

32. Should the Commission address intraLATA toll dialing parity in this proceeding?

SWBT: SWBT believes that intraLATA toll dialing parity should be addressed in the separate docket the Commission established for that purpose. (Bailey Direct p. 56, Rebuttal p. 3).

AT&T: (Lancaster Direct, pp. 29-31, 34.)

MCI: The Commission should order SWBT to file its dialing parity plan outlining deployment of 2-PIC software at all SWBT end offices, limit balloting to offices which have not converted on interLATA basis, establish uniform PIC change process with only one charge if interLATA and intraLATA changed at same time, and SWBT customer service representatives remaining provider-neutral. MCI asserts that cost recovery must be limited to incremental costs and allocated in a competitively-neutral manner, and that call set-up and call processing times must be equivalent. SWBT should routinely report proposed changes. (Laub Direct pp. 7-10, Rebuttal pp. 9-10).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

33. Should SWBT be required to "brand" for AT&T and MCI on maintenance, installation or customer interaction functions other than operator services?

SWBT: SWBT believes that branding obligation should be imposed only on the provision of operator services by SWBT to LSPs. SWBT does not believe that the Federal Act or FCC Interconnection Order require branding of maintenance, installation or any other customer interaction functions which SWBT may perform in connection with the provision of Unbundled Network Elements to LSPs. SWBT does not believe the Commission has the lawful authority to require its employees to participate in a misrepresentation of their employers to customers and does not believe that such a ruse is administratively workable or fair. SWBT believes that AT&T and MCI may utilize their own facilities and employees if they wish to represent to consumers that they are the providers of the underlying facilities used in the provision of service. (Bailey Direct p. 57, Rebuttal p. 6).

AT&T: Any services offered by AT&T should be branded exclusively as AT&T, or otherwise at AT&T's discretion. (Gaddy Direct, pp. 47-49; Gaddy Rebuttal, pp. 11-13, 19-21.)

MCI: Resellers require carrier-specific branding for all customer contacts. Branding will enable competition and minimize customer confusion. (Klaus Direct 10-12, Russell Direct, JR-2).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

34. Should the Commission adopt a charge on local service providers which purchase unbundled local switching in a manner similar to that adopted by the FCC?

SWBT: The Missouri PSC should adopt a charge on local service providers which purchase unbundled local switching. The charge should be the carrier common line charge

contained in the Missouri intrastate switched access tariff. This charge will ensure recovery of at least a portion of the revenues necessary to continue to provide for universal service support and is consistent with the FCC's imposition of an interim charge. (Bailey Direct pp. 50-56).

AT&T: There is no necessity for such change.

MCI: No. Unbundled local switching rates should be based on the TELRIC results of the Hatfield Model. See Issue 22.

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

Resale

35. What services should SWBT be required to make available to AT&T and MCI for resale?

SWBT: SWBT has reached an agreement in principle with AT&T and MCI with regard to which services should be made available for resale, and with regard to some of the services, the price of those services. The agreement in principle covers the services set forth in Exhibit C and D. (Jackson Rebuttal p. 2-3).

AT&T: AT&T generally concurs with SWBT's position stated above subject to certain exceptions. (Gaddy Rebuttal, p. 13, 18.)

MCI: As required by the 1996 Act, subject to resolution of the potential resale stipulation, all telecommunications services that SWBT provides at retail to subscribers who are not telecommunications carriers must be made available for resale. (Klaus Direct pp. 4, 7; Russell Direct JR-2).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

36. What discount should be available for resale services?

SWBT: With regard to certain services designated in Exhibit C, SWBT has agreed with AT&T and MCI that no discount is appropriate. With regard to other services specifically identified on Exhibit C, SWBT has agreed with AT&T and MCI that a 5% discount should be made available. With regard to all other services on Exhibit C, SWBT believes that a wholesale discount rate should be based on avoided cost calculated pursuant to SWBT's methodology, which is consistent with the FCC's Interconnection Order. The proposed rate set forth for these resale services should as set forth on Exhibit D. If the Commission does not agree to the service by service wholesale price discount, as set forth on Exhibit D, SWBT requests that an across the board discount of 13.2% be adopted by the Commission on an interim basis until any issues related to service specific discounts are resolved. (Jackson Rebuttal pp. 7-8; Smith Direct pp. 2-13, Schedules 2 and 3, Rebuttal pp. 2-35, Schedules 1-6).

AT&T: As with Issue Nos. 1 and 22, this simple question begs many more. Although SWBT, AT&T and MCI have agreed that no discount is appropriate for certain services designated in Exhibit C, SWBT and AT&T have numerous disagreements as to the manner in which the discount should be calculated. Those differences include the following subissues:

- a) Should an “aggregate” or “service by service” avoided cost methodology be adopted for the purpose of calculating the avoided cost discount for resale services?

In this regard, the following factors should be considered:

- i) ease of administration;
- ii) availability of data used to develop discount factor; and
- iii) adherence to FCC guidelines.

AT&T: (Crombie Direct, *seriatim*; Crombie Rebuttal, pp. 4-8.)

- b) What revenues should be used to determine the denominator for calculating the ratio of avoided cost to revenues? Intrastate only? Intrastate and interstate? Regulated only? Regulated and non-regulated? Only services related to the expense accounts?

AT&T: (Crombie Direct, pp. 7.)

- c) How should the numerator for calculating the ratio of total avoided cost to revenues be calculated? In this regard the following questions should be considered:

- i) What costs should be included?
- ii) How should the direct avoided cost be calculated?

iii) How should the indirect cost factor be calculated?

AT&T: (Crombie Direct, *seriatim*; Crombie Rebuttal, pp. 4-8.)

d) Are returns and taxes on investment used to provide what were formerly retail services avoided?

AT&T: (Crombie Direct, p. 9; Crombie Rebuttal, p. 7.)

e) What, if any, is the level of wholesale onset cost SWBT's incurs for providing resale? How should onset cost be recovered--by netting out the avoided cost discount or some other method?

AT&T: (Crombie Rebuttal, p. 10.)

f) What portion, if any, of plant administration and testing expenses are avoided?

AT&T: (Crombie Direct, pp. 10-11.)

g) What portion, if any, of uncollectibles are avoided?

AT&T: (Crombie Direct, p. 12.)

h) For aggregate studies, what portions of the following USOA accounts are avoidable?

5301 Uncollectibles

6121 Land and Buildings

6122 Furniture and Artworks

6123 Office Equipment

6124 General Computers

6220 Operator Systems

6533 Testing

6534 Plant Ops Admin

6540 Access

6560 Depreciation and Amortization

6611 Product Management

6612 Marketing Premise Sale

6613 Product Advertising

6621 Call Completion Services

6622 Customer Services

6624 General Support

6711 Executive

6712 Planning

6721 Accounting and Finance

6722 External Relations

6723 Human Resources

6724 Information Management

6725 Legal

6726 Procurement

6727 Research and Development

6728 Other General and Admin

AT&T: (Crombie Rebuttal, p. 9.)

i) With respect to SWBT's service by service cost study,

i) is the overall method used to calculate avoided costs reasonable?

ii) are the value of inputs reasonable?

iii) are all avoided costs captured?

iv) what, if any, changes should be made to the study?

AT&T: (Crombie Direct, pp. 7-9; Crombie Rebuttal, pp. 2-3.)

j) If required, how should interim avoided discount rates be calculated?

AT&T: (Crombie Direct, pp. 12-14; Crombie Rebuttal, pp. 10-11.)

MCI: Subject to resolution of the potential resale stipulation, MCI believes that a wholesale discount of 19.63% should apply uniformly to all services offered for resale, and to each rate element. Service-by-service discounts cannot be reliably calculated because unsupportable allocations and assumptions must be made. The discount of 19.63% is derived from an avoided cost study which follows the approach suggested by the FCC including adjustments for the jurisdictional nature of some avoided expenses consistent with the PSC's rate-making practices. SWBT's avoided cost study is not consistent with the 1996 Act. (Klaus Direct pp. 2, 5-7, 12-21, Rebuttal pp. 2-13, 15).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

37. What charge should be assessed by SWBT to AT&T and MCI for changing local carrier?

SWBT: SWBT believes that a local carrier conversion charge of \$25 should be assessed to AT&T and MCI to establish service in the name of AT&T or MCI which is identical to that which had been previously provided by SWBT. With regard to customers who are not switching service from SWBT to AT&T or MCI, the tariffed nonrecurring charges for the services provided discounted by the appropriate wholesale discount should apply. (Jackson Rebuttal pp. 3-6).

AT&T: Customer change charges should be reasonable and non-discriminatory, and should be based on the actual cost of performing the change. AT&T recommends that the current \$5.00 PIC change charge should be adopted per change order until SWBT provides viable change charge TELRIC studies. (Gaddy Direct, pp. 44-46.)

MCI: MCI agrees with AT&T that change charges should be reasonable and nondiscriminatory, and should be based on actual cost. Absent viable TELRIC study results, the \$5 PIC charge should be used.

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

38. What use limitations and conditions should apply to SWBT's tariffed services which are resold by AT&T or MCI?

SWBT: SWBT believes that all use limitations set forth in its tariffs should apply equally to AT&T and MCI when purchasing services for resale. Any other position would be inconsistent with SWBT's offering of retail services to its own customers and would be inconsistent with §392.475 of SB 507. (Bailey Rebuttal, p. 10; Jackson Direct pp. 11-25, Rebuttal, pp. 6-7)

AT&T: AT&T believes that cross-class restrictions for residential services and means-tested services (e.g., Lifeline) should be permitted, but that all other tariff limitations are unacceptable, such as grandfathered services, continuous property

limitation for Plexar and limitations on aggregation. (Gaddy Direct, pp. 34-36; Gaddy Rebuttal, pp. 14-17.)

MCI: No restrictions should be allowed except: (1) limiting resale of flat rate residential service to residential customers; (2) limiting resale of grandfathered services to customers who took the service from SWBT; and (3) limiting resale of Lifeline and Linkup to qualifying low income customers. (Klaus Direct pp. 4, 9, JR-2, Rebuttal pp. 14-15).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

39. Should SWBT be required to permit its customers currently under contract to abrogate their contracts in order to accept proposals from AT&T or MCI?

SWBT: SWBT believes the Commission is without lawful authority to void or permit customers to void contracts between SWBT and customers pursuant to tariffs approved by this Commission. SWBT believes that, even if it were lawful to do so, it would be inappropriate and would cause SWBT to fail to recover its costs pursuant to tariffs previously authorized by the Commission. (Jackson Rebuttal pp. 7-8).

AT&T: AT&T believes that current SWBT customers with a term commitment should be offered a "fresh look" opportunity to choose between competitive offerings, since no such opportunity was available at the time such long-term commitments were entered. (Gaddy Direct, p. 37.)

MCI: A "fresh-look" process is essential to competition. Pre-existing long-term contracts with the monopoly carrier are a barrier to entry.

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

40. Should SWBT be required to provide AT&T and MCI with a 45-day notice before changing the price of an existing service or a 90-day notice before implementing a new service?

SWBT: SWBT will notify AT&T and MCI of plans to change service offerings or introduce new service offerings when a filing is made with the Commission. Arbitrary requirements of 45 or 90-day notice are inconsistent with the provisions of §§392.200 and 392.220 of SB 507, and are inconsistent with competition and SWBT's ability to fairly compete with new entrants. SWBT should not be artificially restricted, particularly since its retail offerings to end user customers will be made available to resellers if desired. (Jackson Direct pp. 25-27, Rebuttal, p. 8).

AT&T: Yes. Speaking of new services, AT&T also believes that SWBT should be required to provide promotions of 90 days or less at a wholesale discount to AT&T. (Dalton Direct, pp. 31-32; Gaddy Rebuttal, p. 18.)

MCI: SWBT must provide the same advance notice of any changes which affect unbundled network elements, interconnection, or resale which it provides internally, so that adjustments may be made as needed.

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

41. What performance standards should be required?

SWBT: SWBT is willing to provide the same quality of service to LSPs as SWBT provides to its own customers under Commission rules. If penalties or liquidated damages are necessary to ensure quality standards, a single standard should be applied. SWBT proposes using the model SWBT agreed to with MFS. (Deere Direct p. 112).

AT&T: SWBT should use performance standards for resold services and unbundled network elements that it imposes on itself. Also, a joint problem analysis process should be implemented to address situations when performance falls below mutually agreed-upon levels, with a corrective action plan within specified time frames. Quality improvement processes must be established so consumers do not suffer from quality of service problems for any period longer than necessary. The Commission should order that monetary penalties should be enacted, if performance is not improved to reach the mutually agreed-upon standard within a specified period of time. (Dalton Direct, pp. 35-38.)

MCI: MCI requests quantitative quality standards that meet the levels of service that SWBT provides to itself, not merely minimum standards. (Russell Direct, JR-1 7, 13).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

42. What should be the other terms of interconnection ?

SWBT: SWBT recommends the Commission decide the specific policies addressed in this Issues Memorandum and direct the Parties to continue to negotiate a final agreement which would be submitted to the Commission for approval. This procedure is contemplated by the Federal Act. If the Commission were required to decide all of the terms and conditions to be included in a final agreement, it would be required to sort through contracts which have been submitted by AT&T and MCI in their Petitions for Arbitration and by SWBT in its Response to those Petitions. There are literally hundreds of differences which would need to be identified and resolved, all without the assistance of the Parties as the testimony does not attempt to identify differences in contractual forms. (Bailey Direct and Rebuttal).

AT&T: (Dalton Direct, pp. 3-5.) The procedure suggested by SWBT does not seem consistent with the deadline of the Federal Act. The Commission should direct AT&T to submit an agreement conformed to its rulings for its ultimate approval.

MCI: The Commission should adopt the other terms and conditions expressed in MCI's proposed Interconnection Agreement. (Russell Direct, JR-2).

OPC: Public Counsel takes no position on the various sub-issues at this time, but reserves the right to cross-examine the witnesses and to comment and submit its position, if any, on the issue and sub-issues based upon the evidence adduced at the arbitration hearing.

For Glossary see Part B of MCI's Interconnection Agreement. (Russell Direct, JR-2).

III. HEARING PROCEDURES

October 7 Opening Statements - 20 minutes maximum each party, AT&T, MCI, SWBT, OPC

Costing Issues

SWBT - Smith, Lundy, Moore, Cooper

October 8 MCI - Laub¹

Completion of SWBT witnesses from October 7

SWBT - Raley, Tardiff, Lube, Conwell

October 9 Completion of SWBT witnesses from October 8

MCI - Goodfriend, Jernigan

AT&T - Warren-Boulton, Flappan, Crombie, Rhinehart

October 10 Completion of AT&T witnesses from October 9

¹Network and ROW, not costing, witness. Needs to testify October 8.

Network

AT&T - Jacobson, Dalton

MCI - Russell, Powers

October 11 Completion of MCI witnesses from October 10

SWBT - Deere, Watts, Keener

October 15 Cost of Capital

SWBT - Avera

AT&T - Cornell

Policy/Pricing/Resale

SWBT - Bailey, Jackson

October 16 Completion of SWBT witnesses from October 15

MCI - Klaus

AT&T - Gaddy

Right-of-Way

AT&T - Keating

SWBT - Hearst

October 17 Completion of ROW Witnesses

Numbering Issues

SWBT - Adair, Baker-Oliver

AT&T - Lancaster

October 18 Completion

OPC did not file testimony but will be permitted to participate in the hearing and cross-examine witnesses. There shall be no friendly cross-examination permitted.

The schedule is intended to remain flexible. The category headings are general. Parties may change the order of their witnesses in a particular grouping, and witnesses may go a day earlier or later than shown depending upon the speed with which the case progresses.

Order of cross: on SWBT witnesses: AT&T, MCI, OPC; on AT&T and MCI witnesses: SWBT, OPC

**CURTIS, OETTING, HEINZ,
GARRETT & SOULE,
P.C.**

By *Carl J. Lumley Rep 10/7/84*

CARL J. LUMLEY

#32869

LELAND B. CURTIS

#20550

**Attorneys for MCI
Telecommunications Corp.
and its Affiliates including
MCImetro Access Transmission
Services, Inc.
130 S. Bemiston, Suite 200
Clayton, Missouri 63105
314-725-8788**

**SOUTHWESTERN BELL
TELEPHONE COMPANY**

By *Diana J. Harter Rep 10/7/84*

PAUL G. LANE

#27011

LEO J. BUB

#34326

DIANA J. HARTER

#31424

**Attorneys for Southwestern Bell
Telephone Company
100 N. Tucker, Room 630
St. Louis, Missouri 63101-1976
(314) 247-3060**

Respectfully submitted,

**MCI TELECOMMUNICATIONS
CORPORATION**

By *Stephen F. Morris Rep 10/7/84*

STEPHEN F. MORRIS TX BAR

#145016000

Attorney for MCI

**Telecommunications Corp.
and its Affiliates including**

**MCImetro Access Transmission
Services, Inc.**

701 Brazos, Suite 600

Austin, Texas 78701

512-495-6727

LATHROP & GAGE L.C.

By *Paul S. Deford Rep 10/7/84*

PAUL S. DEFORD

#29509

**Attorney for AT&T
Communications of the
Southwest**

2345 Grand Boulevard

Kansas City, Missouri 64108

816-292-2000

**OFFICE OF THE PUBLIC
COUNSEL**